

PART I – THE SCHEDULE

SECTION B

SUPPLIES OR SERVICES AND PRICES/COST

PART I - THE SCHEDULE

SECTION B

SUPPLIES OR SERVICES AND PRICES/COST

TABLE OF CONTENTS

B.1	SERVICES BEING ACQUIRED	3
B.2	OBLIGATION OF FUNDS	3
B.3	ESTIMATED COST AND FEE	3
B.4	AVAILABILITY OF APPROPRIATED FUNDS	7

PART I - SECTION B**SUPPLIES OR SERVICES AND PRICES/COST****B.1 SERVICES BEING ACQUIRED**

The Contractor shall, in accordance with the terms of this contract, provide the personnel, materials, supplies, and services (except as may be expressly set forth in this contract as furnished by the Government) and otherwise do all things necessary for, or incident to, providing its best efforts so as to carry out in an efficient and cost-effective manner all necessary related services to manage the programs and operate the facilities as described in the Statement of Work in Section C in this Contract.

B.2 OBLIGATION OF FUNDS

The total amount of funds obligated under this contract, in accordance with Section I, Contract Clause DEAR 970.5204-15, entitled, "Obligation of Funds," is \$8,000,000.

B.3 ESTIMATED COST AND FEE**(a) Estimated Cost for Transition Period and Phase-in Period**

- (1) The transition period (effective date of award to February 11, 2001) will be on a cost reimbursement basis and the estimated cost is \$9,579,862. There will be no fee paid for the transition period.
- (2) The phase-in period (February 12, 2001 to March 31, 2001) will be on a cost reimbursement basis and the estimated cost is \$23,154,000. There will be no fee paid for the phase-in period.

(b) Estimated Contract Value

The following is the estimated contract value for the initial five year period of the contract based upon the annual appropriation and out year funding requirements identified in the Civilian Radioactive Waste Management Program Plan, Revision 3 and the Total System Life Cycle Costs.

FY 01	\$ 174,119K
FY 02	346,923K
FY 03	564,166K
FY 04	613,166K
FY 05	1,014,266K
FY 06	<u>552,232K</u>
Total	\$3,264,872K

(c) Maximum Total Available Fee and Fee Allocation

The fee available for the performance period 4/01/01 to 4/01/06 shall be associated with Performance Based Incentives (PBIs) with the following measures, amounts, adjustments, and structure.

- (1) The specific scope, measures, conditions for achieving PBI completion shall be set forth in the detailed PBI expectation sheet contained in the Performance Evaluation and Measurements Plan (PEMP).
- (2) The maximum fee available for PBIs for the performance period 4/01/01 to 4/01/06 shall be \$220,875,000 (To be proposed by the Offeror, see Section L.5(a)).
- (3) PBIs must be achieved within the cost and funding profile set forth in paragraph B.3 (b) above unless the profile is modified pursuant to (c)(7) or (c)(9).
- (4) The maximum fee available for PBIs for the performance period 4/01/01 to 4/01/06 shall be allocated to the PBIs as set forth below:

<u>PBI</u>	<u>Completion Date</u>	<u>Fee Amount</u>
DOE Issues Site Recommendation to the President	7/31/01	\$ 17,670,000
DOE Submits License Application to the NRC	3/31/02	\$ 53,010,000
License Application passes NRC Acceptance Review	6/30/02	\$ 17,670,000
Receive NRC Construction Authorization		

Schedule Incentive:

Target Date:	3/31/05	\$132,525,000
Latest Acceptable Date:	3/31/06	\$ 88,350,000

Should the contractor not achieve the "Receive NRC Construction Authorization" PBI by 3/31/05, the amount of fee available will be decreased for each day delayed beyond that date at a rate calculated using straight line interpolation between the dates of 3/31/05 and 3/31/06 and

their associated fee amounts set forth above. If NRC construction authorization is not received before 3/31/06, all fee for this milestone shall be forfeited.

* The maximum Total Available Fee, as set forth in paragraph (c)(2) above, shall be allocated to the specific Performance Based Incentives, as follows:

DOE Issues Site Recommendation to the President	8%
DOE Submits License Application to the NRC	24%
License Application passes NRC Acceptance Review	8%
Receive NRC Construction Authorization	

Schedule Incentive:

Target Date:	60%
Latest Acceptable Date:	40%

- (5) In order for the fee associated with any one of the PBIs set forth in subparagraph (3) above to be earned, all previously scheduled PBIs must be achieved, regardless of whether or not they were achieved by their scheduled completion date.
- (6) Adjustments to earned PBI fee may occur subject to:
 - (a) Failure to achieve functional standards to measure performance at levels consistent with nuclear industry standards, DOE orders, and contractual obligations may result in reduction to earned fee of up to \$ **TBD** in any one (or portion of one) of the 12 month periods running sequentially from March 31, 2001, if not met. These standards will be established by the Government during the transition period, and will be measured and established annually thereafter. Anticipated standards will focus on performance areas which are of concern due to their importance to the overall performance of the contract, their potential for being problem areas, or their performance at a marginal level by the contractor.
 - (b) During contract transition a Performance Evaluation Management Plan (PEMP) will be developed. The PEMP will include the specifics of the performance fee implementation and the functional standards for the remainder of FY01, and the conditions under which the fee plan is subject to modification. Adjustments for failure to achieve functional standards shall not diminish the government's rights under Section I, Contract Clause DEAR 970.5204-86, entitled, "Conditional Payment of Fee."

(c) The Section I, Contract Clause DEAR 970.5204-86, entitled, "Conditional Payment of Fee," is applicable.

- (7) In the event the Annual Appropriations estimated in B.3 (b) above deviates for any fiscal year more than plus or minus 10% from the base set forth in (b) above, the Contractor agrees to negotiate with the U. S. Department of Energy (DOE), pursuant to the Section I, Contract Clause DEAR 970.5204-11, entitled, "Changes," an equitable adjustment to the contract, which may include the maximum total available fee amount, and PBIs, allocation of fee to PBIs, to reflect the impact of such deviation. In the event the parties are unable to reach agreement on the maximum available fee amount, the Government reserves the right to unilaterally establish the maximum available fee amount.
- (8) Fee will be provisionally paid as the specified milestones are met. A percentage of the fee pool has been designated as the fee available for each milestone. Interim payments may be made between the last milestone, Receive NRC Construction Authorization, and its predecessor, License Application passes NRC Acceptance Review. Up to fifty percent of the amount of fee available for Receive NRC Construction Authorization may be distributed quarterly, based upon a quarterly review of the contractor's progress in meeting level 3 milestones with cost, scope and schedule and if deliverables are meeting the acceptance criteria.
- (9) Changes to the fee pool, funding levels, or milestones identified in this clause may be made with the occurrence of any of the following (a) through (c).

(a) Assumptions

The milestone, budgets, and requirements are based upon a set of assumptions which OCRWM is currently operating under. Should the basis for those assumptions change, the milestone, budgets and /or requirements may also change. Assumptions which do not impact level 2 or higher milestones will not change the fee pool or performance based milestones. A discussion of milestone levels is contained in the Strategic System Management Policy.

(b) Funding Levels

OCRWM has established funding levels and/or Total System Life Cycle Costs (TSLCC) necessary to meet the program mission. Annually budget requests are submitted to Congress to support the program. If Congress does not appropriate sufficient funds to support the program mission, DOE may change the milestone and/or requirements to stay within the